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AGRICULTURAL SITUATION REVIEW

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ANNOUNCEMENT: And now let's hear the developments in the farm world during December. We find the facts right here in this summary of The Little Blue Book for December. More formally, The Little Blue Book is the publication called THE AGRICULTURAL SITUATION which is released by the Bureau of Agricultural Economics, United States Department of Agriculture. Anyhow, let's turn the pages and pick out a few of the high lights in the December report---

One month ago, you may remember, we led off our November Agricultural Situation Review talk by giving a brief summary of the crop year just ended. That summary read like this ---

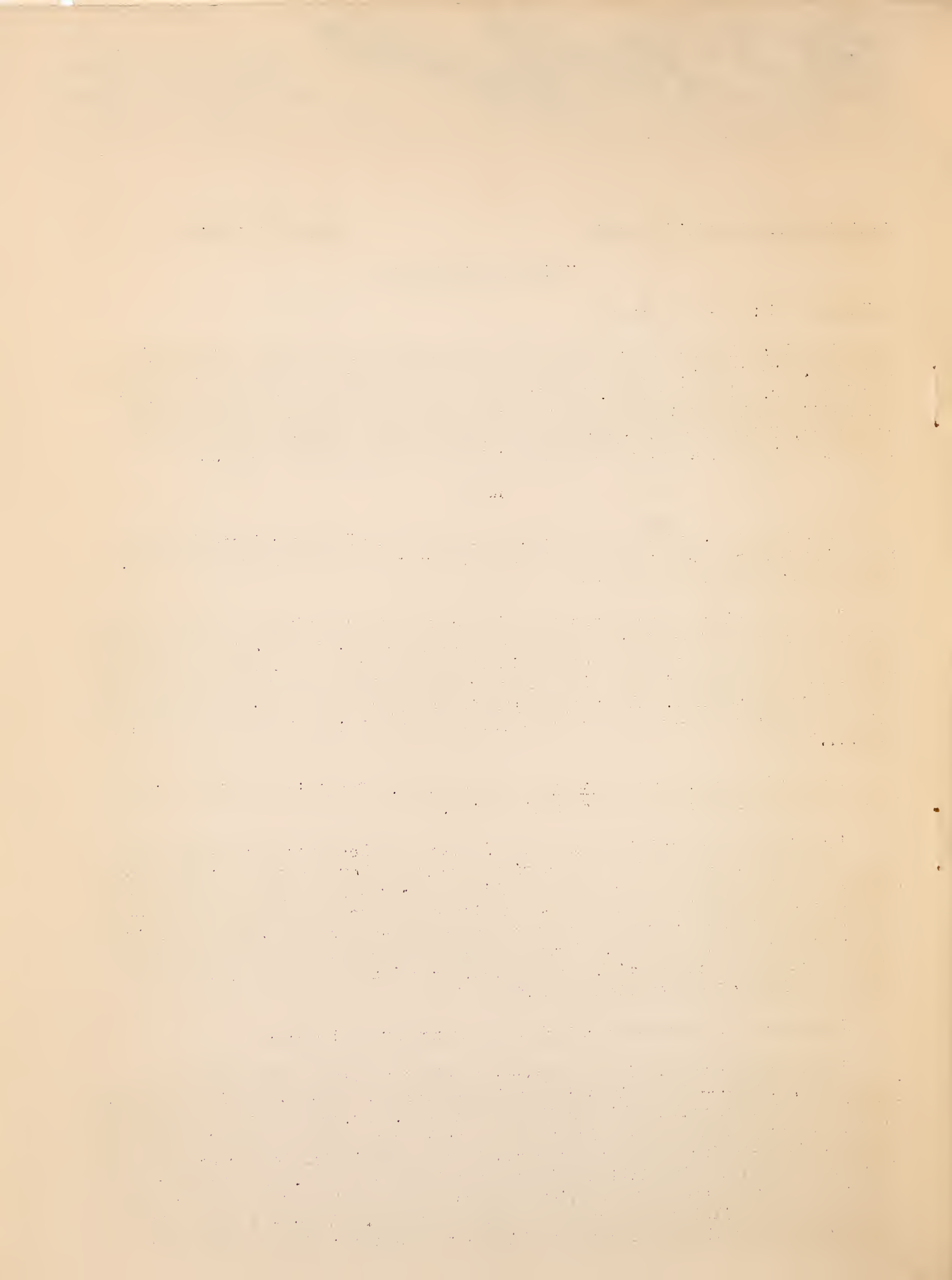
"The general crop story was one of improvement following the late summer rains, so that the November estimate of corn, potatoes, cotton, sweet potatoes, and several other crops were substantially larger than the earlier forecasts. Moreover, the comparatively mild and favorable weather permitted harvest work to go forward speedily. The crop output is not up to last year, but is only slightly below the 10-year average--- total acreage being about the same as in 1928...."

That, of course, is only part of the summary. But it's enough to give us a running start on the December situation.

"Looking back over 1929," says the Little Blue Book for December, "it seems that it was a year in which agriculture just about held its own. Perhaps a certain measure of progress should be recorded in respect to the generally good balance in production--- the increased income from livestock --- the slightly higher gross value of certain crops---and some apparent gain in the stability of land values. Early estimates suggest that the gross income from the past crop season will about equal, or slightly exceed the 12-1/2 billion dollars of the previous year."

Now for a few figures to clinch the summary just given---

The aggregate value of the crops--- based on average farm prices of December 1, 1929 --- is estimated at slightly more than 8-1/2 billion dollars. This is 85 million dollars higher than a year ago. Aside from the higher value of the hay crop this year-- which was more or less offset by lower feed-grain values-- the main increase this year was in the 470-million-dollar potato crop which was valued at 219 million dollars more than last year. The total cotton crop was valued at about 100 million dollars less than in 1928 and the wheat crop at some 50 million dollars less than a year ago. Thus--- says the Little Blue Book, and is there a lesson in this?-- the most striking change was in



potatoes, a crop nearly one-fourth smaller and selling nearly twice as high as last year.

Turning to livestock, the Bureau's review says that the total amount paid by packers to producers for cattle, calves, hogs, sheep, and lambs slaughtered under Federal inspection in the first 10 months of 1929 was 90 million dollars higher than in the first 10 months of 1928. Practically all of this increase was in hogs. Here are the figures for the 3 main classes of livestock sold to packers and slaughtered under Federal inspection---

Hogs: 1929 total cost to packers, 936 million dollars as compared with 850 million dollars in 1928. Average price, 1929, \$10.32--- 1928, \$9.31

Sheep and lambs: 1929 total cost to packers, 131 million dollars as compared with 126 million dollars in 1928. Average price, 1929, \$13.57--- 1928, \$13.75.

Cattle: 1929 total cost to packers, 716 million dollars as compared with 718 million dollars in 1928. Average price, 1929, \$10.82--- 1928, \$10.76.

About 1 per cent fewer cattle were slaughtered in 1929 than in 1928, but the average weight per head was somewhat greater this year. Approximately 4 per cent fewer calves were slaughtered in 1929 than in 1928 and the weight per head was about the same. The total cost of cattle and calves bought for slaughter during the 12 months just ended will be a little less than in 1928 and the total slaughter will be about 3 per cent less, according to figures.

However, says the Little Blue Book, these figures don't tell the whole story of returns to cattle producers. That's because they indicate only what cattle producers received for cattle and calves actually slaughtered. The figures do not show returns to cattle producers who sell stocker and feeder cattle nor do they show net returns to cattle feeders.

1928 was one of the most profitable years on record to cattle feeders, but 1929 can claim no such honor. The fact that 1928 was so profitable largely explains why 1929 was not, says the Agricultural Situation Review. The unusual profits of 1928 were due to the fact that the feeding operations of that year were conducted during a period of rapidly advancing cattle prices. Feeding cattle bought in the fall of 1927 and early in 1928 were bought at the beginning of this general cattle price advance and to the usual feeding margins were added the additional returns which came with the general price advance.

In 1929, the feeders who did the best business were those who bought calves and light yearlings late in 1928 and then marketed them during August and September of 1929. But among stockmen whose 1929 operations were least profitable were those who bought fairly heavy feeders in the spring of 1929 and marketed them as medium or heavyweight cattle after the first of last November.

The experience of cattle grazers in the 2 years just past was much the same as that of cattle feeders. Cattle bought in the late winter and spring of 1928 and pastured and sold in the late summer and early fall brought good

money. As a result, high prices were paid for cattle in the spring of 1929--- but these cattle were sold in the fall at a lower price than in the fall of 1928 and in most cases were sold at a loss.

Beef cattle growers, also, did not find 1929 as profitable a year as 1928 ---this applying largely to the western cattle-producing regions.

The cattle growers whose returns in 1929 bettered those of 1928 were the dairymen. The higher prices of veal calves and of low-grade cows and bologna bulls-- which prevailed over most of 1929-- brought larger total returns for a smaller number of such animals sold this year. But these prices were generally lower in the last 3 months of 1929 than they were during the last 3 months of 1928.

The experts say that there was some tendency to expand cattle production during 1929.

When it comes to hogs, the December pig survey indicates a total fall pig crop of this year about like that of 1928, though it is likely to be about 4 per cent larger in the Corn Belt. The survey suggests that the combined spring and fall pig crop of the Corn Belt may have been slightly larger in 1929 than in 1928. It looks like the number of sows to farrow next spring in the Corn Belt will not be greatly different from the number farrowing last spring.

Crop estimates show that the area of crops harvested in 1929 was about 367 million acres. This is an increase of a little more than 1 per cent over the area harvested in 1928. A large part of the increase was in hay.

Widespread drought, however, cut total crop yields so that the 1929 crop ran about 5.3 per cent lower than the 1928 yield and also 2.2 lower than the 10-year average. For all crops taken together, however, the reduced production appears to have been offset by higher prices.

ANNOUNCEMENT: That concludes the Agricultural Situation Review sent to you each month by Station_____ through the arrangement with the United States Department of Agriculture. Another review, coming the first Monday in February, will give you the highlights in American Agriculture during January, 1930.

